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DD/A 81-1170/1

4 JUN 1981

MEMORANDUM FOR: Director of Central Intelligence

VIA: Deputy Director of Central Intelligence

FROM: Harry E. Fitzwater  
Deputy Director for Administration

SUBJECT: Cost Reduction and Efficiency

REFERENCE: Multiple Addressee Memorandum from the DCI dated  
2 June 1981, Same Subject (ER 81-1367)

1. This memorandum confirms our discussion of 2 June concerning both Administration Directorate and Agency initiatives in the areas of cost reduction and efficiency. As we discussed I have created within the Administration Directorate an executive level working group called CORE (Cost Reduction and Efficiency), composed of my eight deputy office directors, to assist me in an initial in-depth review of the efficiency with which DDA offices provide administrative and support services to the Agency at large. The CORE Working Group is also charged with identifying those areas where both DDA components and non-DDA components elsewhere in the Agency are providing duplicative services, e.g., graphics and micrographic support. I understand and appreciate the urgency with which you want the issue of cost reduction and efficiency attacked. I believe it will take me at least sixty days to complete this initial review as outlined above. At the completion of this initial effort I propose to present my findings and recommendations to you and respond to your direction therefrom.

2. In response to your question concerning a total Agency review, we discussed the creation of an Associate Deputy Director working group, to include the Agency Comptroller. This group would accomplish at the Agency level the same kind of a cost reduction and efficiency review that I am performing internally to the DDA. I would suggest that the four Associate Deputy Directors and the Comptroller, each providing their own staff support, identify in some detail a host of discrete activities presently being performed, complete with the identification of positions and dollar resources presently being expended, across the Agency. Having identified these discrete activities the Associate Deputy Directors should then go on and explore both the efficiency with which these activities are performed and the relevancy that they have to the present Agency intelligence

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mission. The product of this effort should be a series of recommendations to you through the Executive Committee that address areas where increased efficiency can be accomplished or where discrete activities that are presently being performed no longer have sufficient relevancy to be continued in this era of reduced federal expenditures. I would suggest that you give this working group 120 days to complete its effort but require that within the first 30 days of being established they detail for your approval the manner in which they would propose to satisfy your charge. It seems to me that the more you formalize their charter and the more you formalize their reporting requirements the more you will improve the likelihood of achieving significant results.

3. I intend to provide you with interim reports on the progress that I am achieving in reviewing internal Administration Directorate activities. Included in this interim reporting will be summaries of cost reducing and efficiency enhancing efforts that have been taken by my recent predecessors. My first report will be forwarded to you before 9 June 1981. Please be assured that I share with you an absolute commitment to continue--and indeed intensify where appropriate--your philosophy of insuring that the Agency become a lean but highly effective organization.

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Harry E. Fitzwater

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